REMARKS/ARGUMENTS

Claim Amendments

The Applicant has amended no claims. Applicant respectfully submits no new matter has been added. Accordingly, claims 1-5, 7-15 and 17-20 are pending in the application. Favorable reconsideration of the application is respectfully requested in view of the foregoing amendments and the following remarks.

Claim Rejections - 35 U.S.C. § 102(b)

Claims 1-2, 7-9, 15, 17, 19-20 stand rejected under 35 U.S.C. 102(b) as being anticipated by Drozt et al (5,778,320). The Applicants respectfully traverse the rejection of these claims

To anticipate a claim, the reference must teach every element of the claims (MPEP 2131). Also, "A claim is anticipated only if <u>each and every element</u> as set forth in the claim is found, either expressly or inherently described in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

The Applicant's present invention is directed to trading frequency spectrum between operators of <u>radio networks</u>: allowing operators to buy or sell spectrum portions according to their requirements. The spectrum can be traded in different kinds of auctions, optionally using spectrum credits that are spent by the operator when using the spectrum. The trading takes place between <u>networks</u> (as claimed, a plurality of networks). The Applicant's invention discloses the dynamic allocation of a continuous frequency spectrum. Spectrum is defined as a continuous range of frequencies (Newton's Telecom Dictionary). This continuous frequency spectrum is re-allocated among two or more Radio Networks (page 3, lines 14-16).

In contrast with the Applicant's invention, the Drozt reference is about allocating communication resources among groups of communication units (read "cell phones", figure 1, ref. 106-109). Drozt assigns a unit to a particular part of a frequency range that the operator has licensed for use. Drozt is directed at solving the problem of preventing large groups of users from monopolizing communication resources. As noted by the

Examiner, Drozt is concerned with communicating between a base station and subscribers.

As discussed in the Detailed Action, it appears that the Examiner has confused base stations with Radio Networks. The Applicant respectfully directs the Examiner's attention to claim 1.

 (Previously Presented) A method of dynamically reallocating a frequency spectrum to a <u>plurality of radio networks</u> (RNs) in accordance with a <u>predefined spectrum</u> allocation scheme, wherein a spectrum resource has previously been allocated to each RN or group of RNs comprising:

generating an electronic <u>spectrum request for a RN or a group of RNs</u>, wherein the spectrum allocation scheme is based on <u>spectrum credits assigned with the RN or group of RNs</u>, the spectrum credits relating to elementary spectrum units and being exchangeable into spectrum resources; and

transmitting the electronic spectrum request via a communications network to a server infrastructure which also receives electronic spectrum requests for other RNs, the server infrastructure processing the received electronic spectrum requests in accordance with the spectrum reallocation scheme and in accordance with the spectrum allocation scheme to reallocate the spectrum resources to the plurality of RNs. (emphasis added)

The Applicant respectfully submits that the above emphasized limitations are not taught or suggested by the Drozt references.

As noted above, the Applicant's invention is specifically concerned with allocating spectrum to <u>radio networks</u> (e.g., different operators). Radio Networks <u>comprise</u>: base stations (which is the focus of the Drozt reference), users connected to the base stations, MSCs, etc.; all manner of equipment that allows an operator to connect and communicate through a spectrum assigned to the network operator.

The Drozt reference also does not disclose the limitation of the Applicant's invention; "Spectrum credits" (described by the Applicant as being "exchangeable into a specific spectrum resource") (page 6, lines 12-14). The Applicant respectfully submits that the criteria for a prima facie case of anticipation have not been met.

Claims 15, 17, 19 and 20 are analogous to claim 1 and contain similar limitations. This being the case, the independent claims 1, 15, 17, 19 and 20 are allowable over

Drozt. Claims 2, 7-9, depend from independent claim 1 and recite further limitations in combination with the novel elements of claim 1. Therefore, the allowance of claims 1-2, 7-9, 15, 17, and 19-20 is respectfully requested.

Claim Rejections - 35 U.S.C. § 103 (a)

Claims 3-5 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Drotz et al (5,778,320) in view of Lu (6,519,462). The Applicant respectfully traverses the rejection of these claims.

To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all of the claim limitations (MPEP 2143). In that regard, the Applicant respectfully submits that the Examiner's two references still fail to teach or suggest each and every element of the presently pending independent claims.

As stated above, the Drozt reference, at the very least, lacks spectrum allocation between Radio Networks and the use of spectrum credits. Lu is cited for disclosing reallocation of a spectrum resource based on quality of service. Lu is concerned with optimizing utilization of system resources and operates to determine an allocation of wireless transmission resources to each user application served by the wireless system. The Lu reference is also concerned with allocating resources within a network, not between networks as in the Applicant's invention. The problem Lu is solving is allocating resources among a variety of users and user application requirements, not allocating spectrum resources between network operators. Furthermore, the Lu reference fails to supply limitations lacking in the Drozt reference. This being the case, the Applicant respectfully submits that claims 3-5 are patentable over the combination of Drozt and Lu.

Claims 10-14, 18 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Drotz et al (5,778,320) in view of O'Neil (7,099,681). The Applicant respectfully traverses the rejection of these claims. The Drotz and O'Neil references fail to teach or suggest each and every element of the presently pending independent claims

As stated above, the Drozt reference, at the very least, lacks the limitations of the independent claims that of spectrum allocation between Radio Networks and the use of spectrum credits. The Applicant respectfully submits that the O'Neil reference at the very least fails to supply the limitations missing in Drozt. This being the case, the Applicant respectfully submits that claims 10-14 and 18 are patentable over the combination of Drozt and O'Neil.

CONCLUSION

In view of the foregoing remarks, the Applicant believes all of the claims currently pending in the Application to be in a condition for allowance. The Applicant, therefore, respectfully requests that the Examiner withdraw all rejections and issue a Notice of Allowance for all pending claims.

<u>The Applicant requests a telephonic interview</u> if the Examiner has any questions or requires any additional information that would further or expedite the prosecution of the Application.

Respectfully submitted,

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